Centrálny depozitár cenných papierov SR, a. s.

Executory Decree No. 5
to the Rules of Operation of Centrálny depozitár cenných papierov SR, a.s.

DETAILS ON EXECUTION OF SERVICES BY PARTICIPANT - DIRECTLY CONNECTED PARTY

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Definitions and abbreviations

Additional validation of instructions from DCP	Automatic process in IS CDCP, during which CDCP checks compliance with predefined conditions for validation of instructions placed by the directly connected party
Directly Connected Party (DCP)	The participant executing accessible services as a directly connected party in T2S.
DCP services	Services which CDCP made accessible to the directly connected party.
Instructions maintenance	Put on hold, release from hold, change or cancelation of the settlement instruction

Article 1

Introductory provisions

1.1 This executory decree was issued in compliance with article 1 of the Rules of Operation of Centrálny depozitár cenných papierov SR, a.s. (hereafter only „the Rules of Operation“) and stipulates details on services made accessible to the participant acting as Directly Connected Party and on execution of services by the Participant as the Directly Connected Part.

1.2 The other provisions of the Rules of Operation apply to services accessible to the Directly Connected Party and to execution of accessible services by the Directly Connected Party adequately, unless stated differently in this Executory Decree.

1.3 Utilisation of T2S connection is regulated by T2S documentation and documentation of the provider of the network services in T2S.

1.4 Provisions of an agreement concluded in connection with granted participant access or central depository link, or other existing special contractual arrangements apply to execution of Directly Connected Party services. This provision is without prejudice to the special provisions of this Executory Decree.

1.5 Contact details agreed between CDCP and DCP as a participant shall be used in connection with fulfilling of duties and information exchange pursuant to this Executory Decree and with respect to DCP connection.

Article 2

Prerequisites for creating direct connection to T2S

2.1 Prerequisites for creating direct connection to T2S is:

a) concluding special agreement between the Directly Connected Party and the provider of network services in T2S on obtaining and using of direct connection to T2S,

b) granted access of the participant/central depository and access to relevant type of services according to the Part II of the Rules of Operation,

c) execution of certification tests defined by the T2S operator and submitting of relevant certificate, or confirmation on successful accomplishment of the tests,

d) successful execution of certification tests in compliance with the Executory Decree No. 1 – Communication of the Participant and other Market Infrastructure with IS CDCP.

2.2 Legal relationship between the Directly Connected Party and the provider of network services in T2S is regulated exclusively by conditions of the special agreement. CDCP is not a contractual party in the mentioned agreement and is not responsible for performance of related rights and obligations or potential damage that may rise due to breach of obligations of parties in the agreement. Services that are to be provided by the provider of the network services in T2S are not part of services provided by CDCP in relation to direct connection to T2S.

Article 3

Rights and obligations of Directly Connected Party and CDCP

3.1 Directly Connected Party is entitled to use DCP services in scope and according to conditions stipulated in T2S documentation, the Rules of Operation and special contractual arrangements concluded between CDCP and DCP.

3.2 The Directly Connected Party shall:

a) use its best effort to ensure that its connection to T2S Platform shall be functioning continuously and correctly.

b) operate IT infrastructure necessary for direct connection to T2S and assure its security in compliance with requirements of the T2S operator and the provider of the network services in T2S,

c) not to utilise DCP services in manner threatening T2S, e.g. by sending messages which could damage/threaten T2S etc.,

d) provide CDCP with DCP data on registration, certification and contact data intended for the T2S operator,

e) inform CDCP on technical data necessary for registration of DCP in T2S and inform on its any change five operation days before the change occurs and on validity date of such change,

f) request CDCP to create access to the owner's account and/or holder's account for which it is entitled to place settlement instructions as an authorised participant, based on special contractual agreement with CDCP,

g) contact the T2S operator only in case of problems with the technical connection to T2S; in other situations the DCP will contact CDCP,

h) participate in testing, mainly in testing of new version of T2S and IS CDCP, or in testing according to requirements of the Eurosystem or CDCP; this includes provision of necessary co-operation during preparation and execution of testing and provision of necessary co-operation with aim to correct errors according to instructions of T2S operator or CDCP and, based on request, execution of new certification testing,

i) inform CDCP without delay on any fact due to which the DCP is not compliant anymore with prerequisites for creating direct connection to T2S,

j) acquaint itself sufficiently with T2S documentation and documentation of the provider of network services in T2S to perform the DCP services properly.

3.3 CDCP is entitled:

a) to put on hold, to release from hold, to reject or cancel the settlement instruction in accordance with the conditions stipulated in this Executory Decree,

b) to enforce measures and sanctions according to Part II of the Rules of Operation with regard to access to Directly Connected Party services in case the DCP breaches obligations according to the Rules of Operation, namely of this Executory Decree or in case the direct connection to T2S was cancelled for DCP by the T2S operator.

3.4 In compliance with the T2S Framework Agreement the Eurosystem is entitled to cooperate with the Directly Connected Party as regards all matters covered by the T2S Framework Agreement, primarily in order to manage technical connection to T2S, and in connection with user testing for DCP certification, and due to crisis management. The Directly Connected Party shall provide the Eurosystem necessary assistance for purpose aforesaid.

3.5 As regards the securities account balances (static data) the Directly Connected Party shall report to CDCP on all occurred errors without delay by e-mail sent to agreed contact addresses. CDCP is entitled to forward the report to the Eurosystem; such reporting is not considered as breach of data confidentiality.

3.6 In case of crisis situation in T2S which may impact the DCP, CDCP shall inform DCP without delay on this fact by e-mail. The DCP shall fully cooperate in order to manage the crisis situation if required.

Article 4

Access of Directly Connected Party to services

4.1 CDCP will make accessible the services to the Directly Connected Party base on its request.

4.2 The provisions of article 8 of Part II of the Rules of Operation apply adequately to submission of the request according to item 1 of this article, unless differently stated in this Executory Decree.

4.3 Especially following information and documents have to be enclosed to the request:

a) documents and information proving compliance with prerequisites for creating direct connection to T2S according to the Article 2 of this Executory Decree (mainly confirmation on successful finishing of required tests), if such facts are not known to CDCP based on its activity,

b) declaration of the statutory body of the requesting person, that data stated in the request and relevant enclosures are complete, true and correct.

4.4 CDCP is entitled to reject the request in case the prerequisites according to the Article 2 of this Executory Decree, or other requirements according to the Rules of Operation are not met.

4.5 CDCP will make accessible the DCP services to the requesting person immediately after placing the request and proving that the prerequisites according to the Article 2 of this Executory Decree are met. CDCP will confirm in writing that the DCP services were made accessible or will inform the requesting person that the access to the DCP services was not granted, together with the justification.

4.6 CDCP shall terminate or limit access to DCP services:

a) on basis of request from the DCP,

b) in case measures and sanctions according to Part II of the Rules of operation are applied.

4.7 Except to cases pursuant to section 4.6 of this article the Directly Connected Party may be technically disconnected based on decision of the Eurosystem in compliance with the article 36 of the T2S Framework Agreement, i.e. when technical connection of CDCP

or DCP to the T2S Platform represents a major threat to security or integrity of T2S. In such case CDCP shall provide the DCP with all relevant information without delay, mainly a prior notice of imminent technical disconnection.

Article 5

Scope of services for Directly Connected Party

5.1 Scope of services made accessible to the Directly Connected Party is set by privileges and restrictions published on CDCP website.

5.2 Privileges in sense of the section 5.1 of this Article are set by CDCP for each Directly Connected Party. The Directly Connected Party is responsible for setting of privileges for respective users of the Directly Connected Party.

5.3 CDCP has right to change the privileges and restrictions according to the section 5.1 of this Article. CDCP will publish the change on its web site, together with information on validity and effectivity of the change and at the same time it will inform the Directly Connected Parties on the change in advance before it becomes effective.

5.4 The Directly Connected Party may place instructions for following accounts:

a) the owner's account and/or holder's account opened for given DCP,

b) the owner's and/or holder's account opened for other participant for which the DCP acts as an authorised participant.

Article 6

Additional validation of instructions from Directly Connected Party

6.1 All settlement instructions placed by the Directly Connected Party to T2S are subject to additional validation executed by CDCP and for that purpose are put on hold on behalf of CDCP.

6.2 During the additional validation of the instruction debiting or crediting the account of the Directly Connected Party CDCP checks following:

a) setting of the static data in IS CDCP does not prevent from successful validation or settlement of the instruction,

b) no other restriction exists, is registered or filed by CDCP in compliance with the Act on Securities, the Rules of Operation or other generally binding legal regulation which would prevent from settlement of the instruction.

6.3 CDCP will release the instruction blocked according to the section 6.1 of this Article:

a) immediately after successful additional validation and consequent assigning of the reservation mark to the instruction debiting the account,

b) immediately after successful additional validation in case of the instruction crediting the account.

6.4 CDCP will not release the instruction for next processing in case the additional validation of the instruction according to section 6.2 of this Article has not been successful.

Article 7

Differences in processing of instructions from Directly Connected Party

7.1 By using the DCP services it is possible to place a settlement instruction only for transfer of financial instruments without registered Suspension Disposal Right and/or without marked pledge, or which are not subject to the transfer as collateral.

7.2 In the instruction submitted to T2S the Directly Connected Party does not state the code for limited transferability registered with the securities issue to be transferred. However, this is without prejudice to obligation of the DCP to inspect the documents entitling to place the instruction in sense of legal regulation (e.g. issuer's written consent with transfer) and to liability for damage which may rise because the Directly Connected Party didn't inspected required documents if transferability of the security issue was limited.

7.3 Maintenance of the instructions submitted to T2S by the Directly Connected Party is possible only by use of relevant maintenance instructions sent to T2S.

Article 8

Invoicing terms for services executed by Directly Connected Part

8.1 CDCP shall invoice to the Directly Connected Party the information services executed directly in T2S and fees for transfer of messages between the DCP and T2S. The payment and invoice terms, agreed between CDCP and the Directly Connected Party in the Participant Agreement apply to reinvoicing.

8.2 On the second operation day of the next month at the latest, CDCP will send to the Directly Connected Party an overview of services to be reinvoiced for the check-up. The Directly Connected Party can object content of the overview of reinvoiced services on the fourth operation day of the next month at the latest; otherwise CDCP will consider the sum of reinvoiced services final.

Article 9

Final and transitional provisions

10.1 This Executory Decree to the Rules of Operation enters into force on the day of approving thereof by the board of CDCP on 24 March 2021 and comes into force on 1 May 2021.